Policy on computer software

3916. PROF. B. RAMACHANDRA RAO:
SHRI ADINARAYANA REDDY:
SHRI VITHALRAO MADHAVRAO JADHAV:
SHRI MIRZA IRSHADBAIG:

Will the PRIME MINISTER be pleased to state:

(a) what are the main features of the liberalised policy regarding computer software;

(b) what concessions have been offered to import of computers to those firms with substantial computer software export obligation;

(c) what steps are geing taken to prevent some companies providing services of computer specialists through deputation; and

(d) whether Indian computer firms are able to develop software packages which can be patented?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND THE MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN): (a) and (b) The main features of this policy and concessions thereof are following:—

1. The organisations setting up an export-oriented software company and requiring import of hardware and/or software of computer/computer based systems for this purpose, are allowed to import such hardware/software against the export obligation.

2. Software exporters can augment an imported computer system by upto 20 per cent of the CIF value of the original import either through their own FE or after completing 20 per cent of the export obligation. Such imports will have futher export obligation similar to the originally imported system.

3. Any software in any media in any number of licenced copies is permitted to be imported under OGL either by actual user or by computer manufacturers or by software houses for "Stock and Sale".

4. 30 per cent of excess software export earnings made over and above the export obligation, can be made use of by the software exporter for importing new computer systems, software and hardware sub-systems and/or augmenting his existing computer installation and *office equipment and computer spare* parts.

5. Software exporters will be permitted to pay commission to foreign firms/distributers/retailers for their services towards marketing, training, installation, sales support in the foreign gamrkets.

6. Software exporters are permitted FE allocation of 30 per cent of its net foreign exchange earnings in the previous year to incur expenditure on foreign tour, setting up of foreign office, getting experts from abroad, obtaining drawing/designs, payments of commission rates, etc.

7. The Inter-Ministerial Standing Committee (IMSC) of the Department of Electronics will function as an effective instrument for singlepoint clearance and for coordination of action of all cases of software development and software export.

(c) Computer Software export will include besides physical export on magnetic media or on paper, also export through satellite data link and consultancy delivered at the location of foreign client abroad by Indian computer expertise.

(d) Yes, Sir. The software is governed by Copyright Act 1957 amended by an amendment Act, 1984.